



STATE OF UTAH  
NATURAL RESOURCES  
State Lands & Forestry

*min htl*  
*hpb*  
Norman H. Bangerter, Governor  
Dee C. Hansen, Executive Director  
Ralph A. Miles, Division Director

355 W. North Temple • 3 Triad Center • Suite 400 • Salt Lake City, UT 84180-1204 • 801-538-5508

MEMORANDUM

TO: Lowell Braxton

FROM: *JP* John T. Blake

DATE: July 12, 1985

SUBJECT: Release of Tosco Corp, Bond #83 S 82577  
Sand Wash Shale Oil Project

*Act 1047/001*

Pursuant to Tosco's recent request, the Division of State Lands & Forestry wishes to release the Tosco bond with understanding that bond requirements will be reassessed and a new bond will be posted if this project is reactivated in the future.

Please indicate concurrence with this action by Division Oil, Gas and Mining.

JTB/jg

TOSCO CORPORATION

SUITE 2900, STELLAR PLAZA  
1099 EIGHTEENTH STREET  
DENVER, COLORADO 80202  
303/292-5212

RECEIVED

July 3, 1985

JUL 05 1985

CORPORATE OFFICES  
2401 COLORADO AVENUE  
SANTA MONICA, CALIFORNIA 90406  
213/207-6000

Mr. J. T. Blake  
Minerals Resource Specialist  
Utah Division of State Lands & Forestry  
Utah Department of Natural Resources & Energy  
355 West North Temple  
3 Triad Center, Suite 400  
Salt Lake City, Utah 84180-1204

DIVISION OF OIL  
GAS & MINING

Re: Tosco Corporation  
Sand Wash Shale Oil Project  
Reclamation Bond

Dear Mr. Blake:

In August of 1982, Tosco Corporation obtained a Reclamation Bond in the amount of \$120,423.00 covering estimated reclamation costs associated with initial construction work which Tosco then planned to conduct as a part of the first phase of the Sand Wash Shale Oil Project. A copy of the original bond is attached for your convenience. Tosco has indefinitely postponed the commencement of this work. It has kept the bond in effect to preserve its ability to proceed with construction plans promptly. Prospects for the profitable development of oil shale have now deteriorated to the point that Tosco has decided, with the State's cooperation, to terminate the bond.

Please let us know what we can do to help expedite the termination of this bond.

Very truly yours,

  
W. Dixon Shay  
Director, Government Relations

WDS/jal

cc: J. W. Smith, Jr.  
State of Utah  
Division of Oil, Gas & Mining (ACT/047/001)  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

J. H. Barney



STATE OF UTAH  
NATURAL RESOURCES & ENERGY  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

August 2, 1982

Mr. John E. Hardaway  
Regulatory Affairs Manager  
TOSCO Corporation  
11100 East Bethany Drive  
P.O. Box 441464  
Aurora, Colorado 80014-1439

RE: Phase I Conditional Approval  
Sandwash Development Shaft  
and Mine Project  
ACT/047/001  
Uintah County, Utah

*Bowell*

Dear John,

The Division of Oil, Gas and Mining through the recommendation of the Board hereby issues conditional approval for Phase I of the Sandwash Development Shaft and Mine Project. While the recommendation was based on the entire 3.5 year, 39 acre project this portion of the approval covers only the 18.7 acres discussed in TOSCO's letter of July 15, 1982. The earth preparation work proposed will be bonded for \$120,423 (Attachment 1). The Board of Oil, Gas and Mining has approved this entire Phase I project based on the \$775,000 bond proposed in the permit application with the following conditions:

1. Since TOSCO's request is to bond disturbance for this project on an incremental basis, a schedule of the phases of disturbance within Phase I must be submitted to DOGM and the Division of State Lands and Forestry (DSLRF), within 30 days of this approval. The schedule must include the approximate duration and acreage of each phase of disturbance and a listing of the facilities involved. An estimate of the required reclamation bond must be made for each incremental phase. As stated in the DSLRF Rules and Regulations (Rule 11-C), the operator must notify State Lands 60 days prior to new disturbance of or above state mineral leases. This allows adequate time for adjustment of the bond.
2. The Division of State Lands has expressed concern with certain species proposed for revegetation. Therefore, TOSCO shall resolve the area of concern with appropriate DOGM and DSLRF staff personnel within 30 days of this approval.

Mr. John E. Hardaway  
ACT/04/001  
July 29, 1982  
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3. Because the bond for the first increment of Phase I disturbance will be held by the Division of State Lands and Forestry. A final condition to this approval is that the bond will be finalized with DLSF and copied to DOGM within 30 days of this approval and prior to disturbance of the site.

Upon completion of these conditions, a final approval letter will be issued to TOSCO Development Corporation for the Phase I project.

Please be reminded of Rule 40-8-15 of the Utah Mined Reclamation Act which requires Division notification 30 days prior to commencement of operations. This rule also requires an Annual Operations and Progress Report to be filed at the end of each calendar year for all active operations.

If you have further questions on this approval, please contact myself or Sally Kefer of my staff.

Sincerely,



JAMES W. SMITH, JR.  
COORDINATOR OF MINED LAND DEVELOPMENT

JWS/SK/tck  
enclosure

cc: John Blake, DLSF  
Jim Smith, DOGM  
Sally Kefer, DOGM

ATTACHMENT I  
SANDWASH DEVELOPMENT SHAFT AND MINE PROJECT  
PHASE I INCREMENTAL BOND

The costs for the first increment of the reclamation bond have been estimated as follows:

1. Soil Redistribution = \$15,356

$$8,082 \text{ cubic yards} \times \$1.90/\text{cubic yards} = \$15,356$$

Topsoil will be spread at a depth of six inches. The cost for the topsoil redistribution is \$1.90 per cubic yard for 10 acres (Utah Department of Transportation unit bid price list).

2. Regrading Costs = \$50,300

$$18.7 \text{ acres} \times \$2,785/\text{acre} = \$50,300$$

Includes construction pad area for buildings, parking, materials, equipment and sedimentation pond and all adjacent area.

3. Sedimentation Pond Equipment Removal = \$10,000

Includes removal of spillway, emergency discharge piping and rip-rap.

4. Revegetation = \$29,000

$$10 \text{ acres} \times \$2,900/\text{acre} = \$29,000$$

Includes seeding, planting and mulch

5. Irrigation Cost = \$20,000

Supplemental irrigation of revegetated areas. Includes purchase/rental of pipes, pumps and operation for one growing season.

6. Removal of Fence and Trailer Office = \$2,820

$$\begin{aligned} \$1/\text{ft (UDOT unit cost) for removal of fence} &= \$2,520 \\ \text{Trail removal} &= \$300 \end{aligned}$$

Includes 2520 feet of cyclone fence with concrete footings for fence posts.

SUBTOTAL	\$109,476
	<u>10,947</u>
	\$120,420